

3 March 1977

We assume that vacancies are used here as the gap between ceiling and on-duty strength and that new vacancies equate to separations.

Given these assumptions:

1. On 26 Feb 77 (the latest computer run) the Agency was ☐ below ceiling ☐ and the month end run (which will be available on 7 March) would pick up additional retirements which will add to the number of pre-existing vacancies and hence can be filled according to the President's directive.

2. Projecting March and April, experience indicates that we would have about ☐ separations. Using the 75% rule, ☐ of these can be filled.

3. If this interpretation is correct, we could fill ☐ new vacancies plus the ☐ pre-existing vacancies or ☐ during March and April while losing ☐ separations. Retirements between 26 and 28 Feb 77 would count as fully replaceable vacancies under the guidelines.

4. After preliminary discussion with SPD, we believe that there is no problem in terms of honoring our commitments to applicants in process, based upon our analysis of expected flows through June. SPD is reviewing this and should we learn otherwise we will inform you.

5. While it appears that the 75% restriction should not impact on the Agency at-large through April (and possibly May if still imposed) it will hurt if it continues into June 77 when we normally experience heavy EODs.

Also, the current (and also the projected) vacancies are not evenly distributed among the Directorates. As of the 26 Feb 77 computer run, the status of on-duty strength vs ceiling is as follows:

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6. It is important to keep in mind the fact that June and July are normally buildup months, with EODs exceeding separations by 50 a month. Thus, should we be below ceiling at the end of May, we would expect to be at or above ceiling by the end of July. This becomes an important consideration should an additional cut be imposed on the Agency after the Administration's review. Such a cut would probably have to be accommodated by the offering of discontinued service retirement in the fall, at the end of the fiscal year.

25X1